



Office of Special Investigations

B-260331

January 17, 1996

The Honorable Bud Shuster
Chairman, Committee on Transportation and
Infrastructure
House of Representatives

Dear Mr. Chairman:

The then Ranking Minority Member of the Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation (now the Committee on Transportation and Infrastructure), Senator James M. Inhofe, requested that we investigate allegations that federal law enforcement officials in South Florida, engaged in drug interdiction efforts, had knowingly permitted illegal alterations to general aviation aircraft. They then allegedly allowed unsafe aircraft to be reintroduced into general aviation. As agreed with members of the Subcommittee staff, we concentrated our efforts on the Miami-based office of the U.S. Customs Service. On October 31, 1995, we briefed the Committee staff and a member of Senator Inhofe's staff and agreed to provide you this letter summarizing our findings.

In summary, we found no evidence that Customs special agents knowingly permitted illegal alterations and subsequently allowed the reintroduction of unsafe aircraft into general aviation. We did learn that during certain undercover operations, Customs special agents ordered fixed-base operators (FBO)--individuals who lease aircraft to Customs under personal assistance agreements¹--to change the visual identity of aircraft and to make certain modifications needed to complete undercover narcotics operations. These changes (such as changing tail numbers and data plates) and modifications (such as modifying or adding such equipment as fuel tanks and cargo doors) were

¹Customs handled FBO leasing arrangements through oral or written personal assistance agreements. Customs' payment under such agreements was intended to cover all expenses related to the operation itself, identity changes to the aircraft, and returning the aircraft to its original condition. However, the agreements contain no language that ensures that changes to an aircraft are reversed.

directed pursuant to Customs' authority to conduct undercover operations under 19 U.S.C. 2081. According to Customs special agents, oral instructions were given to the FBOs, following the completion of the operations, to return the aircraft to their original condition. However, the special agents told us that they had not inspected the aircraft to ensure that the changes had been made. Customs has no written policy on leasing and modifying aircraft for use in undercover operations or ensuring that aircraft are returned to their general aviation condition. We have advised Customs of the need to address this issue so as to prevent altered aircraft from being returned to general aviation.

In addition, we reviewed relevant Federal Bureau of Investigation (FBI) files concerning an investigation of four FBOs that did work for Customs. With regard to that investigation, five individuals pled guilty to knowingly and willingly providing false identity to aircraft and entering false information in records or reports regarding aircraft. However, these violations were unrelated to the services provided for Customs. Further, we found no evidence in the file review or court documents indicating that Customs special agents had engaged in any illegal activities.

We learned that Customs officials advised Federal Aviation Administration (FAA) officials and an FBI agent not to pursue inspections and investigations involving activities of an FBO working in an undercover capacity. We believe this was done, largely, to protect the anonymity of the undercover operation. We found no evidence that Customs special agents had acted improperly to impede FAA or the FBI from inspecting or investigating FBO aircraft.

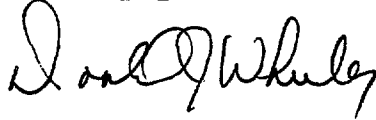
During the course of our investigation, from February 1994 to October 1995, we reviewed pertinent Customs investigative files, including reports prepared by members of the Customs Miami Office of Internal Affairs who initially investigated the allegations. We also interviewed members of the Customs Miami Office of Investigations and individuals identified as having personal knowledge of unlawful activities by Customs special agents. We reviewed numerous FAA records and interviewed personnel, in both FAA headquarters and South Florida, attempting to identify aircraft that were known to have been used in an undercover operation and that were subsequently sold to third parties in an unsafe condition. None were found.

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If you have questions concerning this information, please contact me, or Assistant Director Barney Gomez of my staff, at (202) 512-6722.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Donald J. Wheeler".

Donald J. Wheeler
Acting Director

(600339)

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